



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 10

1200 Sixth Avenue, Suite 900
Seattle, WA 98101-3140

FEB 12 2014

OFFICE OF
COMPLIANCE AND ENFORCEMENT

Reply to: OCE-127

CERTIFIED MAIL NUMBER - RETURN RECEIPT REQUESTED

Betsy G. Stauffer
Registered Agent
Simpson Tacoma Kraft Company, LLC
917 East 11th Street
Tacoma, Washington 98421

Dear Ms. Stauffer:

Based upon information gathered by the U.S. Environmental Protection Agency (EPA) through on-site inspections, information request responses, and state file reviews, EPA Region 10 has reason to believe that the Simpson Tacoma Kraft Company, LLC (Simpson) facility located in Tacoma, Washington (Facility), may have conducted one or more major modifications without complying with the Clean Air Act's (CAA) Prevention of Significant Deterioration (PSD) requirements. Specifically, EPA has concerns about the projects and issues on the enclosed list.

After EPA issued the information request on August 29, 2011, Simpson requested a meeting with EPA, expressed an interest in working collaboratively with EPA, and requested that EPA first bring any compliance concerns to Simpson's attention informally. In follow-up to that request, EPA is offering Simpson an opportunity to meet and discuss EPA's concerns before EPA considers its next steps. If Simpson is interested in such a meeting, Simpson should come prepared to discuss all relevant information and provide supporting documentation, including but not limited to project descriptions, dates projects were addressed in permit applications, dates projects were commenced, PSD emission calculations, and any other information that will clarify the company's viewpoint.

EPA proposes that this meeting be held on March 6, 2014, at 10:00 AM at the Region 10 Offices in the Park Place building in Seattle. In order to confirm the particulars of this meeting or to request an alternative date or time, please contact either Katie McClintock at (206) 553-2143 or Julie Vergeront, Associate Regional Counsel, at (206) 553-1497 **within seven days** of receiving this letter. EPA will consider a failure to contact EPA within seven days of receipt to mean that Simpson is declining the opportunity to meet with EPA to informally discuss these matters.

Sincerely,

A handwritten signature in blue ink, appearing to read "Edward J. Kowalski".

Edward J. Kowalski
Director

Enclosure

cc: Plant Manager, Simpson Tacoma Kraft Company, LLC
Stuart Clark, Washington State Department of Ecology
Garin Schrieve, Washington State Department of Ecology

Simpson Projects of Concern/Areas for Discussion

- 1) On Hog Fuel Boiler #7, Simpson undertook physical changes and changes in method of operation not discussed in Simpson's September 2006 permit application (2006 PSD application), and not addressed in the findings of the PSD permit issued May 22, 2007 for the Steam Turbine Generator Project (2007 PSD Permit), including: 1) adding economizer modules, 2) upgrading the fuel feed system instead of installing the feed system, and 3) burning more urban wood. Note that Simpson's PSD Permit Amendment Request of March 24, 2010 states that "Several other factors that may affect NO_x and CO emission and could be contributing to the overall increase in NO_x emissions from the boiler include," and listed changes 2 and 3 from above.
- 2) Simpson made a series of changes to Hog Fuel Boiler #7 between 2005 and 2009, including the steam line project, over fire air project, steam turbine project, and the additional changes listed in Simpson's March 24, 2010 PSD Permit Amendment Request. Simpson made changes to its Recovery Boiler and Digesters during this same period. Simpson applied for separate permits (or did not apply for a permit) for each of these changes despite internal documents showing that these changes were viewed as part of one plan. As a result of these separate permit applications, Simpson did not evaluate the aggregated¹ effects of the projects on emissions of all criteria pollutants as required by 40 CFR § 52.21.

One or more of these changes appear to have constituted a major modification that resulted in a net emissions increase of NO_x, PM, and/or SO₂. Please be prepared to discuss the specifics of these changes as they relate to PSD applicability, including whether they did or did not constitute a physical change or change in the method of operation; what changes must be aggregated in the PSD applicability analysis; and the actual and potential emissions calculations for all criteria pollutants.

¹ For a collection of EPA memoranda relevant in determining whether projects should be aggregated, please see 75 FR 19570-71 (April 15, 2010). While the policy discussion in this reconsideration notice does not represent a final agency position without further action by the agency, the numerous memoranda cited in this notice are examples of our historic approach to aggregation.